

Larsen & Toubro (LT IN)

Q2FY27 Result Update

October 28, 2026

☒ Estimate Change | ☒ Target | ☐ Reco.

Change in Estimates

	Current		Previous	
	FY28E	FY29E	FY28E	FY29E
Rating	BUY		BUY	
Target Price	4,437		4,425	
Sales (INR mn)	3,608,168	4,111,149	3,609,556	4,116,297
% Chng.	(0.0)	(0.1)		
EBITDA (INR mn)	383,221	437,594	390,475	446,040
% Chng.	(1.9)	(1.9)		
EPS (INR)	174.2	201.5	173.7	201.8
% Chng.	0.3	(0.1)		

Key Data

LART.BO | LT IN

BSE Code	500510
NSE Code	LT
52-W High / Low	INR 4,440 / INR 3,288
Face Value	2
Sensex / Nifty	73,599 / 22,750
Market Cap	INR 5,043 bn / \$ 53,017 mn
Shares Outstanding	1375.92 mn
3M Avg. Daily Value	INR 6,771.98 mn

Shareholding Pattern (%)

Promoters	-
FII	19.22
Mutual Funds	19.39
Domestic Institutions	23.46
Public & Others	37.93
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	(5.4)	(3.7)	(9.6)	(6.6)
Relative	(5.1)	0.5	(5.0)	7.6

Key Financials - Consolidated

Y/e Mar	FY26	FY27E	FY28E	FY29E
Sales (INR mn)	2,858,744	3,161,070	3,608,168	4,111,149
EBITDA (INR mn)	291,511	295,324	383,221	437,594
Margin (%)	10.2	9.3	10.6	10.6
PAT (INR mn)	173,544	194,317	239,627	277,126
EV (INR mn)	5,647,341	5,604,517	5,572,179	5,550,179
Total Debt (INR mn)	1,216,830	1,216,830	1,226,830	1,236,830
C&C Eq. (INR mn)	208,477	251,301	293,639	325,639
EPS (INR)	126.2	141.3	174.2	201.5
Gr. (%)	18.2	12.0	23.3	15.6
DPS (INR)	28.0	35.3	43.5	50.4
Yield (%)	0.8	1.0	1.2	1.4
RoE (%)	16.8	16.4	17.2	17.1
RoCE (%)	10.8	10.4	12.7	13.3
EV/Sales (x)	2.0	1.8	1.5	1.4
EV/EBITDA (x)	19.4	19.0	14.5	12.7
PE (x)	29.1	25.9	21.0	18.2
P/BV (x)	4.6	3.9	3.4	2.9

Healthy execution and order inflow amid challenges

Quick Pointers

- Order prospects stood at INR10.3trn for H2FY27, led by Infrastructure & Utilities (INR5.84trn), Energy Conventional (INR2.07trn) and Energy Green (INR2.04trn)
- Management reiterated FY27 guidance of 10-12% YoY growth in order inflows and revenue, with PP&M EBITDA margin targeted at 7.8%.

Larsen & Toubro (L&T) reported Q2FY27 performance, with consol. revenue growing ~16% YoY, while EBITDA margin contracted 130bps YoY to 8.7%, impacted by adverse revenue mix, Water & Effluent Treatment project cost pressures and higher supply-chain costs. Adjusted PAT grew 33% YoY to INR52bn, aided by 67% growth in other income on higher surplus funds, improved yields and a one-time gain from SWC divestment. Order inflows rose 28% YoY to INR1.5trn driven by ultra-mega and mega orders across Hydrocarbon and Carbon Light Solutions, taking the order book to INR8.5trn (+28% YoY) and strengthening multi-year revenue visibility. Energy Conventional remained a key growth driver, supported by hydrocarbon wins and the ~INR800bn NTPC Lara thermal project, while Energy Green and Manufacturing & Products revenues grew 43% and 31% YoY, respectively, led by solar, offshore wind, Precision Engineering and Electronics. However, Infrastructure margins remained under pressure due to legacy Water & Effluent Treatment projects and jobs yet to reach margin-recognition thresholds. A healthy INR10.3trn H2FY27 prospects pipeline, alongside emerging opportunities in data centres, semiconductors and defence, supports growth visibility. Management retained FY27 guidance of 10-12% growth in order inflows and revenue, with a 7.8% EBITDA margin target for the P&M portfolio. While the record order book and diversification into new growth platforms support the medium-term outlook, margin recovery and Middle East-related execution challenges remain key monitorables. The stock trades at 21.0x/18.2x FY28E/FY29E P/E. We roll forward to Sep'28E and maintain 'Buy' rating with a revised SoTP-derived TP of INR4,437 (INR4,425 earlier), valuing the core business at 21x Sep'28E earnings (22.5x Mar'28E earlier).

Long-term view: Short-term execution risks remain for L&T due to supply chain challenges amid Middle East conflict. Meanwhile, we believe L&T is well-placed to benefit in the long-run owing to 1) strong international prospects led by Middle East, 2) healthy domestic pipeline on the back of public-driven capex and uptick in private capex, and 3) liquidation of loss-making development project, and 4) penetration in newer areas such as green energy, electrolyzers, semiconductors, data centers, EMS etc.

Quarter Summary

Y/e Mar	Q2'27E	Q2'27A	% Var.	Q2'26A	YoY gr. (%)
Net Sales (INR mn)	7,26,977	7,87,499	8.3	6,79,835	15.8
EBITDA (INR mn)	68,964	68,447	(0.7)	68,064	0.6
Margin (%)	9.5	8.7	(80) bps	10.0	(130) bps
PAT (INR mn)	40,548	52,021	28.3	39,261	32.5

Source: Company, PL

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Strong execution in Energy portfolio (conventional and green) drove revenue: Consolidated revenue rose 15.8% YoY to INR787.5bn (PLe: INR726.9bn) driven by strong growth in PP&M segments (+20% YoY). Infrastructure revenue grew moderately by ~6% YoY to INR255.5bn likely aided by execution in domestic and international projects. While Energy - Conventional revenue increased by 28.5% YoY to INR172.9bn owing to execution in the Hydrocarbon business as well as the CarbonLite Solutions business Energy - Green segment revenue increased by ~42.9% YoY aided by ramp up of execution in Solar jobs and commencement of execution in Offshore Wind projects. Manufacturing products revenue increased by ~31.4% YoY to INR46.4bn driven by improved execution progress in Precision Engineering & Systems. Financial Services grew 27.4% YoY to ~INR53bn, IT & Technology Services grew 11.4% YoY to INR149.4bn, Realty revenue decreased by 17.8% YoY to INR3.9bn. EBITDA increased by ~1% YoY to INR68.5bn (PLe: ~INR69bn). EBITDA margin contracted by 132bps YoY to 8.7% (PLe: 9.5%) primarily due to lower gross margin (-226bps YoY). EBIT margin contracted by -103bps YoY to 7.4%. EBIT margin in Infrastructure Projects contracted by -24bps YoY to 4.5%, Energy- conventional -91bps to 6.7%, Energy green - 28bps YoY to 5.8%, IITS -11bps YoY to 16.4% while Manufacturing & products +223bps YoY to 13.2%, +111 bps YoY to 24.8%. Adj. PAT rose 32.5% YoY to INR52.0bn (PLe: INR40.5bn) aided by higher other income (up 66.6% YoY to INR23.0bn).

Order book stands at ~INR8.5trn (2.8x TTM revenue), up 28% YoY: Consolidated order inflows came in at ~INR1.5trn, high-value orders led by Hydrocarbon – Offshore & Onshore, CarbonLite Solutions, Public Spaces & Airports, and Power Transmission & Distribution businesses. Domestic/International order intake mix stood at 37%/63%. Order book stands at ~INR8.5trn (2.8x TTM revenue), up 28% YoY with a Domestic/International mix of 46%/54%.

Exhibit 1: Quarterly Estimates

(INR mn)	1QFY27	YoY gr. (%)	2QFY27	YoY gr. (%)	3QFY27E	YoY gr. (%)	4QFY27E	YoY gr. (%)
Net Sales	6,79,417.4	6.7%	7,87,499.4	15.8%	7,88,743.5	10.4%	9,05,410.0	9.4%
EBITDA	61,164.8	-3.2%	68,446.5	0.6%	74,571.7	0.5%	91,141.4	5.9%
Margins (%)	9.0	(91.9)	8.7	(132.0)	9.5	(92.6)	10.1	(33.7)
Adj. PAT	41,228.5	14%	52,021.0	33%	46,678.8	4%	54,389.0	3%

Source: Company, PL

Exhibit 2: EBITDA margin contracted by 132bps YoY due to lower margin across portfolio and change in revenue mix (higher share of PP&M)

Y/e March (INR mn)	Q2FY27	Q2FY26	YoY gr.	Q2FY27E	% Var.	Q1FY27	QoQ gr.	H1FY27	H1FY26	YoY gr.
Revenue	7,87,499	6,79,835	15.8%	7,26,977	8.3%	6,79,417	15.9%	14,66,917	13,16,625	11.4%
Gross Profit	2,64,771	2,43,951	8.5%	2,66,074	-0.5%	2,62,432	0.9%	5,27,203	4,78,432	10.2%
Margin (%)	33.6	35.9	(226)	36.6	(298)	38.6	(500)	35.9	36.3	(40)
Employee Cost	1,42,456	1,29,860	9.7%	1,41,034	1.0%	1,40,434	1.4%	2,82,890	2,56,244	10.4%
as % of sales	18.1	19.1	(101)	19.4	(131)	20.7	(258)	19.3	19.5	(18)
Other expenditure	34,180	28,958	18.0%	37,076	-7.8%	40,506	-15.6%	74,687	56,815	31.5%
as % of sales	4.3	4.3	8	5.1	(76)	6.0	(162)	5.1	4.3	78
Finance cost of fin. serv. business	19,689	17,068	15.4%	19,000	3.6%	20,327	-3.1%	40,015	34,132	17.2%
as % of sales	2.5	2.5	(1)	2.6	(11)	3.0	(49)	2.7	2.6	14
EBITDA	68,447	68,064	0.6%	68,964	-0.8%	61,165	11.9%	1,29,611	1,31,241	-1.2%
Margin (%)	8.7	10.0	(132)	9.5	(79)	9.0	(31)	8.8	10.0	(113)
Depreciation	10,369	10,918	-5.0%	11,500	-9.8%	10,323	0.4%	20,692	21,251	-2.6%
EBIT	58,077	57,146	1.6%	57,464	1.1%	50,842	14.2%	1,08,919	1,09,990	-1.0%
Margin (%)	7.4	8.4	(103)	7.9	(53)	7.5	(11)	7.4	8.4	(93)
Other Income	23,063	13,843	66.6%	13,700	68.3%	23,767	-3.0%	46,830	27,411	70.8%
Interest	4,729	7,628	-38.0%	6,100	-22.5%	5,387	-12.2%	10,116	15,444	-34.5%
PBT (ex. Extra-ordinaries)	76,411	63,361	20.6%	65,064	17.4%	69,223	10.4%	1,45,633	1,21,956	19.4%
Margin (%)	9.7	9.3	38	8.9	75	10.2	(49)	9.9	9.3	67
Extraordinary Items	-	-	-	-	-	-	-	-	-	-
PBT	76,411	63,361	20.6%	65,064	17.4%	69,223	10.4%	1,45,633	1,21,956	19.4%
Total Tax	17,259	16,490	4.7%	16,266	6.1%	19,394	-11.0%	36,653	31,830	15.2%
Effective Tax Rate (%)	22.6	26.0	(344)	25.0	(241)	28.0	(543)	25.2	26.1	(93)
PAT before MI & JV	59,152	46,871	26.2%	48,798	21.2%	49,829	18.7%	1,08,980	90,127	20.9%
Reported PAT	52,021	39,261	32.5%	40,548	28.3%	41,229	26.2%	93,250	75,433	23.6%
Adj. PAT	52,021	39,261	32.5%	40,548	28.3%	41,229	26.2%	93,250	75,433	23.6%
Adj. EPS	37.8	28.5	32.5%	29.5	28.3%	30.0	26.2%	67.8	54.8	23.6%

Source: Company, PL

Exhibit 3: Infra & utilities EBIT margin declined by 28bps due to cost pressures in WET projects and higher proportion of jobs below margin

Segment Performance	Q2FY27	Q2FY26	YoY gr.	Q2FY27E	% Var.	Q1FY27	QoQ gr.	H1FY27	H1FY26
Revenue (Rs mn)									
Infrastructure & Utilities	2,55,542	2,41,100	6.0%	2,45,354	4.2%	2,21,435	15.4%	4,76,978	4,68,061
Energy - Conventional	1,72,894	1,34,570	28.5%	1,41,786	21.9%	1,42,463	21.4%	3,15,357	2,59,245
Energy - Green	1,14,939	80,422	42.9%	84,353	36.3%	56,071	105.0%	1,71,010	1,43,777
Manufacturing & Products	46,389	35,313	31.4%	47,998	-3.4%	46,476	-0.2%	92,866	78,075
IT & Technology Services	1,49,388	1,34,069	11.4%	1,44,218	3.6%	1,47,199	1.5%	2,96,587	2,61,371
Financial Services Revenue	53,073	41,663	27.4%	46,246	14.8%	50,417	5.3%	1,03,490	81,373
Realty Revenue	3,930	4,779	-17.8%	5,141	-23.6%	11,334	-65.3%	15,264	10,125
Development Projects	-	15,330	-	11,881	-	10,737	-	10,737	27,823
Total	7,96,156	6,71,916	18.5%	7,15,096	11.3%	6,75,396	17.9%	14,71,552	13,02,027
Less: Inter-segment revenue	8,656	7,411	16.8%	-	-	6,715	28.9%	15,372	13,225
Net Revenue	7,87,499	6,64,505	18.5%	7,15,096	10.1%	6,68,681	17.8%	14,56,180	12,88,802
EBIT (Rs mn)									
Infrastructure & Utilities	11,443	11,366	0.7%	8,833	29.6%	8,044	42.3%	19,487	20,245
Energy - Conventional	11,578	10,242	13.0%	9,216	25.6%	9,667	19.8%	21,245	18,878
Energy - Green	6,687	4,901	36.4%	4,892	36.7%	3,216	107.9%	9,903	8,652
Manufacturing & Products	6,102	3,856	58.2%	6,000	1.7%	5,934	2.8%	12,035	10,317
IT & Technology Services	24,425	22,063	10.7%	28,844	-15.3%	23,538	3.8%	47,963	42,563
Financial Services Revenue	13,189	9,889	33.4%	9,249	42.6%	12,363	6.7%	25,551	19,321
Realty Revenue	966	2,460	-60.7%	1,697	-43.0%	3,469	-72.1%	4,435	4,483
Development Projects	(157)	870	-118.0%	1,307	-112.0%	1,245	-112.6%	1,088	2,187
Total	74,389	64,777	14.8%	68,730	8.2%	66,230	12.3%	1,40,620	1,24,460
EBIT Margin (%)									
Infrastructure & Utilities	4.5	4.7	-24	3.6	88	3.6	85	4.1	4.3
Energy - Conventional	6.7	7.6	-91	6.5	20	6.8	-9	6.7	7.3
Energy - Green	5.8	6.1	-28	5.8	2	5.7	8	5.8	6.0
Manufacturing & Products	13.2	10.9	223	12.5	65	12.8	39	13.0	13.2
IT & Technology Services	16.4	16.5	-11	20.0	-365	16.0	36	16.2	16.3
Financial Services Revenue	24.8	23.7	111	20.0	485	24.5	33	24.7	23.7
Realty Revenue	24.6	51.5	-2,689	33.0	-841	30.6	-602	29.1	44.3
Development Projects	-	5.7	-	11.0	-	11.6	-	10.1	7.9

Source: Company, PL

Exhibit 4: SOTP Valuation – Core business accounts for ~75% of the SOTP

Particulars	Earnings/Book (INR mn)	Valuation Basis	Target Multiple (x)	Stake (%)	Value (INR bn)	Fair Value (INR)	Basis
L&T Core Business	2,16,541	P/E	21.0	100	45,47,364	3,306	21x Sep'28 EPS
L&T Power development	36,609	P/B	1	100	36,609	27	1x equity investment
L&T Hyderabad Metro	14,615	P/B	1	100	14,615	11	1x equity value
Other Businesses	26,636	P/B	1	100	26,636	19	1x equity investment
Total						3,362	
Subsidiaries							
L&T Finance	8,01,067	Target Mcap		66	5,28,624	384	Target Mcap
LTI Mindtree	13,34,367	Target Mcap		69	9,14,442	665	Target Mcap
L&T Technology Services	4,02,536	Target Mcap		74	2,96,146	215	Target Mcap
Total Subsidiaries				15% holding co. disc.	14,78,330	1,075	
Grand Total						4,437	

Source: Company, PL

Conference Call Highlights:

- FY27 guidance maintained:** Management reiterated its FY27 guidance of 10–12% YoY growth in order inflows and revenue, with a PPM EBITDA margin target of 7.8%. The guidance is supported by a healthy H2 opportunity pipeline, improving domestic execution and increasing contribution from offshore wind projects. Despite logistics disruptions and higher freight and insurance costs in the Middle East, management expects to mitigate the impact through alternative logistics arrangements and customer reimbursements. Group net working capital is expected to close below the earlier guidance of 10%.
- Record order inflows; healthy order book and prospects pipeline:** Group order inflows reached an all-time high of INR1.48trn, up 28% YoY, driven by mega orders across Hydrocarbons and Carbon Lite Solutions. PPM order inflows grew 32% YoY to INR1.26trn, with domestic and international inflows increasing 49% and 24%, respectively. The order book stood at INR8.54trn, up 28% YoY, with international exposure at 54% and domestic at 46%. Private-sector contribution to the domestic PPM order book increased to 39% from 30% a year ago, while Central/State Government and PSU accounted for 30% and 31%, respectively. The H2FY27 opportunity pipeline stood at INR10.3trn, led by Infrastructure & Utilities (INR5.84trn), Energy Conventional (INR2.07trn) and Energy Green (INR2.04trn). Slow-moving orders accounted for ~1% of the order book, with deletions of less than INR0.1bn during the quarter.
- Infrastructure & Utilities:** Order inflows stood at INR355bn, down 13% YoY following a strong Q1, with major awards across airports, power T&D, ferrous metals, data centres and public buildings in India and the UAE. Private-sector orders accounted for 59% of domestic inflows. Revenue grew 6% YoY, driven by domestic private-sector execution across buildings & factories, transportation infrastructure and metals & minerals. The order book stood at INR3.61trn, with an H2FY27 opportunity pipeline of INR5.84trn, comprising INR4.59trn domestic and INR1.25trn international opportunities. EBITDA margin declined to 5.7% from 6.2% in Q2FY26 due to cost pressures in Water & Effluent Treatment (WET) and projects yet to cross margin-recognition thresholds. Management indicated that excluding WET, segment margins would have been 40–50bps higher; recovery of cost overruns and customer claims remains a key monitorable.
- Energy Conventional:** Order inflows more than doubled YoY to INR784bn, driven by strong traction in domestic and Middle Eastern Hydrocarbons, particularly offshore projects, alongside a mega order from NTPC for the 2×800MW Lara Stage III thermal power project under CarbonLite Solutions. The order book stood at INR2.87trn, comprising Hydrocarbons (INR2.13trn) and CarbonLite Solutions (INR0.71trn), with an

H2FY27 opportunity pipeline of INR2.07trn. Revenue grew 29% YoY to INR173bn, supported by sustained offshore fabrication activity and rising execution of recently secured thermal power orders. Hydrocarbon margins improved to 7.5% from 6.7% YoY, while overall segment margins declined 80bps YoY to 7.4% due to lower margins in CarbonLite Solutions and MRU against a favourable year-ago base, alongside projects yet to cross margin-recognition thresholds. L&T was also selected as one of four contractors under a six-year EPC framework agreement with Petroleum Development Oman, providing access to potential opportunities of US\$6–7bn over the next three to four years, subject to competitive bidding.

- Energy Green:** Order inflows declined 45% YoY to INR66bn due to deferment of certain Middle East solar projects. The order book stood at INR1.44trn, comprising Solar (INR703bn), Offshore Wind (INR565bn) and Onshore Wind (INR168bn), while the H2FY27 opportunity pipeline stood at INR2.04trn, including Solar (INR1.47trn), Offshore Wind (INR380bn) and Onshore Wind (INR190bn). Revenue grew 43% YoY to INR115bn, primarily driven by the commencement of large solar projects, while offshore wind execution is expected to ramp up in subsequent quarters. Margins remained broadly stable. Management expects international solar ordering to recover in H2FY27 as bidding activity improves, although longer material lead times, higher logistics costs and dependence on imported solar modules could defer revenue recognition across GCC projects.
- Manufacturing & Products:** Revenue grew 34% YoY to INR45bn, supported by strong execution across Precision Engineering & Systems and Electronic Products & Systems. Margin improvement reflected execution cost savings and a favourable job mix. The order book stood at INR429bn, comprising Precision Engineering (INR218bn), Heavy Engineering (INR81bn), Electronic Products & Systems (INR65bn) and Construction Equipment, Industrial Products and Design & Development (INR65bn). The H2FY27 opportunity pipeline stood at approximately INR325bn, including INR284bn from Precision Engineering and Electronics and around INR40bn from Heavy Engineering. Export orders in Precision Engineering supported order activity, including an order from Vietnam. Management expects potential defence order conversion in the coming quarters, with opportunities across marine platforms and land-based armoured systems; the AMCA programme was expected to come up for bidding by end-Oct'26.
- Middle East operations resilient amid logistics disruptions:** Logistics constraints and elevated freight and insurance costs continue to affect select projects, with renewable projects facing the greatest risk due to dependence on imported solar modules. Hydrocarbon execution remains relatively resilient, supported by local fabrication facilities and materials available at project sites, while T&D has experienced some disruption that management expects to manage without significant H2 impact. The company is implementing alternative logistics arrangements and engaging customers to recover incremental costs, with a substantial portion expected to be contractually reimbursable. However, timing differences between cost recognition and reimbursement, along with possible material delays, remain risks to near-term revenue and margins. Management reported no significant project cancellations.
- Data Centre:** L&T is scaling its AI infrastructure through an AI factory at Chennai, equipped with over 10,000 NVIDIA B300 GPUs, with commissioning targeted for Jan'27. The company has signed a long-term deployment agreement with Together.AI and plans to scale AI capacity to over 100MW over the next 1.5–2 years, including a 30MW facility and planned 50MW and 30MW additions. Investment in GPUs for the existing 30MW data centre is estimated at ~US\$750mn.
- Semiconductor:** L&T Semiconductor Technologies unveiled 40 products and platforms, including a 1,200V SiC MOSFET, alongside partnerships with Azure Moto and Tata Electronics. Management expects revenue traction from design and chip sales over the next 1–2 quarters, indicating progress towards commercialisation of its semiconductor portfolio.

Financials

Income Statement (INR mn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
Net Revenues	2,858,744	3,161,070	3,608,168	4,111,149
YoY gr. (%)	11.8	10.6	14.1	13.9
Cost of Goods Sold	998,916	1,114,277	1,269,714	1,445,891
Gross Profit	1,859,828	2,046,793	2,338,454	2,665,258
Margin (%)	65.1	64.8	64.8	64.8
Employee Cost	521,872	583,453	647,633	718,873
Other Expenses	365,029	376,167	407,723	464,560
EBITDA	291,511	295,324	383,221	437,594
YoY gr. (%)	10.3	1.3	29.8	14.2
Margin (%)	10.2	9.3	10.6	10.6
Depreciation and Amortization	43,648	45,129	51,982	57,561
EBIT	247,864	250,195	331,239	380,032
Margin (%)	8.7	7.9	9.2	9.2
Net Interest	28,488	21,903	26,990	28,447
Other Income	57,607	74,917	60,256	64,545
Profit Before Tax	259,758	303,210	364,505	416,130
Margin (%)	9.1	9.6	10.1	10.1
Total Tax	68,164	78,835	94,042	107,362
Effective Tax Rate (%)	26.2	26.0	25.8	25.8
Profit After Tax	191,594	224,375	270,463	308,769
Minority Interest	28,699	30,708	31,629	32,578
Share Profit from Associate	2,055	(650)	(793)	(936)
Adjusted PAT	173,544	194,317	239,627	277,126
YoY gr. (%)	18.2	12.0	23.3	15.6
Margin (%)	6.1	6.1	6.6	6.7
Extra Ord. Income / (Exp)	(12,704)	-	-	-
Reported PAT	160,840	194,317	239,627	277,126
YoY gr. (%)	7.0	20.8	23.3	15.6
Margin (%)	5.6	6.1	6.6	6.7
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	160,840	194,317	239,627	277,126
Equity Shares O/s (mn)	1,376	1,376	1,376	1,376
EPS (INR)	126.2	141.3	174.2	201.5

Source: Company, PL

Balance Sheet (INR mn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
Non-Current Assets				
Gross Block	475,550	529,302	584,831	639,801
Tangibles	331,968	385,720	441,249	496,219
Intangibles	143,583	143,583	143,583	143,583
Acc: Dep / Amortization	175,338	220,467	272,448	330,010
Tangibles	175,338	220,467	272,448	330,010
Intangibles	-	-	-	-
Net Fixed Assets	300,213	308,835	312,383	309,792
Tangibles	156,630	165,253	168,800	166,209
Intangibles	143,583	143,583	143,583	143,583
Capital Work In Progress	30,363	31,611	36,082	41,111
Goodwill	-	-	-	-
Non-Current Investments	898,316	937,871	1,082,550	1,234,213
Net Deferred Tax Assets	40,857	40,857	40,857	40,857
Other Non-Current Assets	70,967	85,349	97,421	111,001
Current Assets				
Investments	595,249	595,249	595,249	595,249
Inventories	95,309	121,247	148,281	180,215
Trade Receivables	604,613	658,195	741,404	844,757
Cash & Bank Balance	208,477	251,301	293,639	325,639
Other Current Assets	1,167,734	1,264,428	1,371,104	1,438,902
Total Assets	4,482,971	4,838,883	5,316,757	5,812,663
Equity				
Equity Share Capital	2,751	2,751	2,751	2,751
Other Equity	1,090,147	1,276,004	1,497,888	1,746,750
Total Network	1,092,898	1,278,755	1,500,639	1,749,501
Non-Current Liabilities				
Long Term Borrowings	869,045	869,045	869,045	869,045
Provisions	-	-	-	-
Other Non Current Liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	347,785	347,785	357,785	367,785
Trade Payables	694,556	753,461	850,144	968,654
Other Current Liabilities	1,327,137	1,438,287	1,587,594	1,706,127
Total Equity & Liabilities	4,482,971	4,838,883	5,316,757	5,812,663

Source: Company, PL

Cash Flow (INR mn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
PBT	276,983	303,210	364,505	416,130
Add. Depreciation	43,648	45,129	51,982	57,561
Add. Interest	26,255	21,903	26,990	28,447
Less Financial Other Income	57,607	74,917	60,256	64,545
Add. Other	(14,587)	-	-	-
Op. Profit before WC Changes	332,297	370,242	443,477	502,139
Net Changes-WC	(104,576)	(132,698)	(155,329)	(206,050)
Direct Tax	(60,312)	(78,835)	(94,042)	(107,362)
Net Cash from Op. Activities	167,410	158,709	194,105	188,727
Capital Expenditures	(65,830)	(55,000)	(60,000)	(60,000)
Interest / Dividend Income	30,280	-	-	-
Others	(81,839)	(464)	(26,198)	(18,373)
Net Cash from Inv. Activities	(117,388)	(55,464)	(86,198)	(78,373)
Issue of Share Cap. / Premium	75	-	-	-
Debt Changes	72,902	-	10,000	10,000
Dividend Paid	(46,762)	(38,518)	(48,579)	(59,907)
Interest Paid	(31,822)	(21,903)	(26,990)	(28,447)
Others	(12,371)	-	-	-
Net Cash from Fin. Activities	(17,979)	(60,421)	(65,570)	(78,354)
Net Change in Cash	32,042	42,824	42,338	32,000
Free Cash Flow	119,318	103,709	134,105	128,727

Source: Company, PL

Quarterly Financials (INR mn)

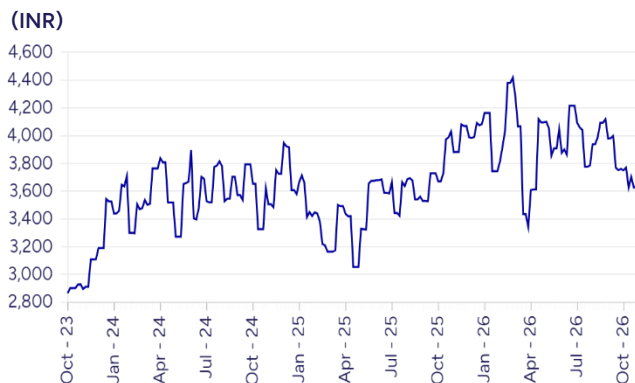
Y/e Mar	Q3FY26	Q4FY26	Q1FY27	Q2FY27
Net Revenues	714,497	827,622	679,417	787,499
YoY gr. (%)	10.5	11.3	6.7	15.8
Raw Material Expenses	462,886	557,333	416,985	522,728
Gross Profit	251,611	270,288	262,432	264,771
Margin (%)	35.2	32.7	38.6	33.6
EBITDA	74,168	86,103	61,165	68,447
YoY gr. (%)	18.6	5.0	(3.2)	0.6
Margin (%)	10.4	10.4	9.0	8.7
Depreciation / Depletion	10,717	11,680	10,323	10,369
EBIT	63,451	74,423	50,842	58,077
Margin (%)	8.9	9.0	7.5	7.4
Net Interest	6,251	6,793	5,387	4,729
Other Income	14,410	15,786	23,767	23,063
Profit before Tax	71,610	84,103	69,223	76,411
Margin (%)	10.0	10.2	10.2	9.7
Total Tax	15,407	20,928	19,394	17,259
Effective Tax Rate (%)	21.5	24.9	28.0	22.6
Profit After Tax	56,203	63,175	49,829	59,152
Minority Interest	6,095	8,075	8,652	7,471
Share Profit from Associate	(46)	(1,845)	52	340
Adjusted PAT	50,062	52,740	41,229	52,021
YoY gr. (%)	49.0	2.7	14.0	32.5
Margin (%)	7.0	6.4	6.1	6.6
Extra Ord. Income / (Exp)	-	516	-	-
Reported PAT	50,062	53,256	41,229	52,021
YoY gr. (%)	49.0	(3.1)	14.0	32.5
Margin (%)	7.0	6.4	6.1	6.6
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	50,062	53,256	41,229	52,021
Avg. Shares O/s (mn)	1,376	1,376	1,376	1,376
EPS (INR)	36.4	38.3	30.0	37.8

Source: Company, PL

Key Financial Metrics

Y/e Mar	FY26	FY27E	FY28E	FY29E
Per Share (INR)				
EPS	126.2	141.3	174.2	201.5
CEPS	157.9	174.1	212.0	243.3
BVPS	794.5	929.6	1,090.9	1,271.8
FCF	86.7	75.4	97.5	93.6
DPS	28.0	35.3	43.5	50.4
Return Ratio (%)				
RoCE	10.8	10.4	12.7	13.3
ROIC	12.3	11.9	14.3	14.6
RoE	16.8	16.4	17.2	17.1
Balance Sheet				
Net Debt : Equity (x)	0.4	0.3	0.2	0.2
Net Working Capital (Days)	1	3	4	5
Valuation (x)				
PER	29.1	25.9	21.0	18.2
P/B	4.6	3.9	3.4	2.9
P/CEPS	23.2	21.1	17.3	15.1
EV/EBITDA	19.4	19.0	14.5	12.7
EV/Sales	2.0	1.8	1.5	1.4
Dividend Yield (%)	0.8	1.0	1.2	1.4
FCFF Yield (%)	2.4	2.1	2.7	2.6
PEG Ratio	1.6	2.2	0.9	1.2

Source: Company, PL

Price Chart

Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	08-Oct-26	BUY	3702	4425
2	29-Jul-26	BUY	4425	3832
3	08-Jul-26	BUY	4632	3892
4	06-May-26	BUY	4632	4055
5	09-Apr-26	BUY	4806	3896
6	29-Jan-26	BUY	4806	3794
7	07-Jan-26	BUY	4766	4157
8	30-Oct-25	BUY	4766	3958
9	07-Oct-25	BUY	4144	3730
10	30-Jul-25	BUY	4144	3496

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	ABB India	HOLD	7005	6944
2	Apar Industries	Accumulate	18160	14720
3	BEML	Accumulate	2007	2011
4	Bharat Electronics	Accumulate	378	452
5	BHEL	REDUCE	426	464
6	Carborundum Universal	HOLD	1257	1072
7	Cummins India	BUY	5414	4386
8	Elgi Equipments	Accumulate	602	638
9	Engineers India	BUY	308	297
10	GE Vernova T&D India	BUY	4316	5928
11	Grindwell Norton	Accumulate	2020	2113
12	Harsha Engineers International	Accumulate	462	462
13	Hindustan Aeronautics	BUY	4746	5795
14	Hitachi Energy India	HOLD	31610	34026
15	Ingersoll-Rand (India)	Accumulate	4089	5029
16	Kalpataru Projects International	Accumulate	1454	1472
17	KEC International	BUY	363	451
18	Kirloskar Pneumatic Company	BUY	696	856
19	Larsen & Toubro	BUY	3702	4425
20	Praj Industries	BUY	300	390
21	Siemens	HOLD	3793	3831
22	Siemens Energy India	BUY	3344	3655
23	Solar Industries India	BUY	20050	23124
24	Thermax	REDUCE	3230	3952
25	Triveni Turbine	HOLD	529	615
26	Voltamp Transformers	BUY	11524	9811

PL's Recommendation Nomenclature (Absolute Performance)

BUY	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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